



# OLR RESEARCH REPORT

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## **BOAT REGISTRATION REVENUE AND THE BOATING ACCOUNT**

By: Judith Lohman, Assistant Director

You asked for information on the use of boat registration fee revenue and the status of the boating account. This report updates information on this subject contained in our 2010 report on state registration of boats and aircraft in lieu of property taxation (OLR Report 2010-R-0018).

### **SUMMARY**

In 2011, the legislature required all boating fee revenue to go to the General Fund and eliminated both the boating account and the statutory earmarks for registration fee revenue, including the requirement to reimburse towns for lost revenue from the property tax exemption for boats.

### **PROPERTY TAX EXEMPTION AND REGISTRATION REQUIREMENT**

By law, boats are exempt from local property taxes (CGS [§ 12-81\(64\)](#)). Instead, owners must register their boats annually with the Department of Motor Vehicles (DMV) and pay an annual fee. The fees range from \$7.50 to \$525, depending on the boat's length (CGS [§ 15-144](#)). Before 2011, the revenue from the registration fee was used, among other things, to reimburse towns for lost property tax revenue based on boats that were on each town's October 1, 1978 grand list.

## **REGISTRATION FEE REVENUE DISTRIBUTION**

### ***1994-2009***

As described in our 2010 report, from 1994 to 2009, the first \$1 million in annual registration fee revenue, as well as any balance of such revenue remaining after reimbursing towns for lost property tax revenue, was sent to a boating account. The boating account was a separate nonlapsing account within the Department of Environmental Protection's (DEP) Conservation Fund. Funds in the account were used for:

1. paying DMV and DEP expenses for enforcing boating safety and pollution laws,
2. reimbursing towns for local expenses in enforcing those laws, and
3. reimbursing towns for their expenses for boating safety education and improving boating facilities.

### ***2009 Changes***

In 2009, the legislature eliminated both the Conservation Fund and the boating account, sending all boat registration fee revenue to the General Fund (PA 09-3, June Special Session, § 394). But, before the elimination took effect, the legislature reconsidered and instead kept the boating account as a separate, nonlapsing account in the General Fund (PA 09-8, September Special Session, § 21).

The 2009 acts gave the property tax reimbursements to towns first call on all annual boating fee revenue, eliminating the requirement to save the \$1 million in annual revenue for the boating account. It also required that, if there was not enough fee revenue collected in any year to cover full allotments for all towns, unallocated funds within the account be used to make up the difference.

### ***2011 Changes***

In 2011, the legislature reversed itself once again and eliminated both the separate boating account and the statutory earmarks for boating registration fee revenue. Instead, it required both the boating account balance and all annual boat registration revenue to be paid into the state General Fund. The 2011 laws also eliminated the reimbursement grants to towns (PA 11-6, §§ 133 and 165, as amended by PA 11-61, § 4).

JL:ro